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Urban planning: What's broken and how to fix it.

Draft Productivity Commission report on better urban planning now available

The Productivity Commission is seeking feedback on its proposal for a future urban planning system in New Zealand.

The Commission released its draft report Better Urban Planning today. The inquiry examined the current urban planning system in New Zealand and the Commission's report suggests different ways of delivering urban planning.

"The Commission was asked to take a blue-skies approach to what a future urban planning system could look like. Well-functioning successful cities matter a great deal to the wellbeing of New Zealanders. This is about giving people the opportunity to live in well designed, well supported cities that respond to growth and diversity." says Commission Chair, Murray Sherwin.

The Commission's report reflects the challenges of the current system and where changes are most needed. Mr Sherwin says the Commission has no intention of adding another layer of complexity to what is already a very complex and often conflicted system.

"There is no simple fix – it's not just a case of changing legislation. Effective urban planning is about the right mix of legislation, people with the right skills and strong relationships."

"Urban planning helps to maximise the benefits of cities, by providing essential infrastructure services and community facilities and by managing conflicts between property owners. Yet too often, the connection between planning rules and the wellbeing of communities is weak or difficult to justify, and the supply of infrastructure and zoned land fails to keep pace with demand in our fast growing cities."

The Commission has concluded that a planning system should allow urban land to be used for different purposes over time, provide enough land and infrastructure to meet demand, ensure that residents can move easily through cities, and protect the natural environment.

"Planning is where individual interests bump up against their neighbours' interests, and where community and private objectives meet. It is inherently contested and difficult trade-offs sometimes have to be made. These decisions are best made through the political process not the courts. Our current planning system tends to be adversarial and reactive to the views of well-resourced and mobilised groups rather than the majority. We believe that any future planning system would have less regimented, but more targeted consultation requirements."

"Central government needs to set stronger boundaries around planning, and councils need to allow people greater scope to decide how to best use their land, subject to clearly articulated requirements for protecting the natural environment and include processes for addressing conflicts between neighbours. The Commission has recommended the establishment of a permanent Independent Hearings Panel to help councils ensure their plans meet legislative requirements."

“What we need is a responsive system that aims to deal with competing demands for resources, competing citizen interests and values. The Commission’s draft report suggests how to achieve this.” says Mr Sherwin.

Recommendations

The Commission recommends a future planning system should:

- Make a distinction between the built & natural environment with clear objectives for each (Chapter 13);
- Favour development in urban areas, subject to clear limits (Chapter 7);
- Develop a Government Policy Statement on Environmental Sustainability to provide the boundaries within which urban development can occur (Chapter 8);
- Provide narrower access to appeals and tighter notification requirements (Chapter 7);
- Make spatial plans a mandatory component of the planning hierarchy (Chapter 9);
- Establish a permanent Independent Hearings Panel to consider and review new Plans, Plan variations and private Plan changes across the country (Chapter 7).
- Include more responsive rezoning through the use of predetermined price triggers to signal when land markets are out of balance and rezoning is needed (Chapter 7); and
- Make greater use of targeted rates and volumetric charges to fund infrastructure investment and maintenance (Chapter 10).

The Commission’s process from here.

- The Commission is inviting submissions on its draft report Better urban planning by 3 October. The draft report outlines the Commission’s proposed findings and recommendations, and a list of key questions that it is seeking feedback on.
- The Commission is seeking submissions from all interested parties, including residents, businesses, developers, planners, iwi, local authority staff, community representatives and environmentalists. Submissions are due by 3 October 2016, and the Commission’s final report to the Government is due on 30 November 2016.
- The draft report is available from www.productivity.govt.nz/inquiry-content/urban-planning.

About the inquiry

The Commission has been asked to identify the most appropriate system for allocating land use in cities. This includes the processes that are currently undertaken through the Resource Management Act, the Local Government Act and the Land Transport Management Act. It also includes elements of the Building Act, Reserves Act and Conservation Act that affect the ability to use land in urban areas. The inquiry will look beyond the existing planning system and provide a framework for assessing future planning reforms.

The Commission has previously considered urban planning issues in its housing affordability (2012), local government regulatory performance (2013), regulatory institutions and practices (2014) and using land for housing inquiries (2015).

Inquiry timeline

3 October: Due date for submissions on the draft report

30 November: Final report due to Government

About the New Zealand Productivity Commission

The Commission – an independent Crown entity – was established in April 2011 and completes in-depth inquiry reports on topics selected by the Government, carries out productivity-related research, and promotes understanding of productivity issues.

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